AMENDMENT TO THE CLAIMS

This listing of claims will replace all prior versions, and listings, of claims in the application.

Listing of Claims

1. (Currently Amended) A method implemented with a computer of paying an insolvent Insurance Company's liabilities through a reinsurance agreement or other indemnification arrangements, comprising:

a) estimating with the computer values of an Insurance Company's assets and liabilities and storing said values in electronic readable format in the computer, said assets including reinsurers' obligations associated with the liabilities;

b) calculating a fixed dividend based on the stored values of the assets and liabilities, wherein said dividend is ~~calculated by the computer as a percentage of estimated allowed mature claims, the percentage being a function of said stored values and a reinsurer risk factor~~ a fraction of allowed claims, the percentage being a function of said values;

c) guaranteeing the payment of the fixed dividend to claimants or insureds of the insolvent Insurance Company when said allowed claims mature; and

d) receiving at least a portion of the assets of the insolvent Insurance Company, including rights to the insolvent Insurance Company's reinsurers' obligations associated with the liabilities.

2. (Currently Amended) The method of claim 1 wherein said dividend is calculated by the computer by at least adding the value of the insolvent Insurance Company assets, including determining the expected present value of the reinsurers' obligations discounted by ~~multiplying the~~ a reinsurer risk factor ~~to the reinsurers' obligations~~, and dividing by the expected present value of associated claims against the Insurance Company.

3. (original) The method of claim 2 further comprising setting aside assets to cover administrative costs of the Insurance Company before calculating said dividend.

4. (previously presented) A computer-based method of reinsuring an insolvent Insurance Company's liabilities comprising:

a) estimating a value of the Insurance Company's assets;

b) estimating with a computer a value of claims of insureds against the Insurance Company using computer-based models stored in the computer;

c) evaluating obligations of reinsurers against said claims by applying a reinsurer risk factor;

d) determining with the computer the shortfall of the assets including the reinsurers' obligations to cover said claims and administrative costs associated with said claims;

e) determining with the computer a guaranteed payment rate of said claims as a function of said shortfall and storing said payment rate in electronic readable format in the computer;

f) indemnifying by an Indemnifying Agent at least a portion of the Insurance Company's liabilities for said claims at said guaranteed payment rate for payment when said claims mature; and

g) assigning at least a portion of said assets and reinsurers' obligations to the Indemnifying Agent.

5. (original) The method of claim 4 further comprising:

assigning to said claims a plurality of priorities and determining a plurality of guaranteed payment rates to correspond to said claims depending on the priority assigned to the claim.

6. (original) The method of claim 4 further comprising:

assigning an upper limit on an aggregate amount the Indemnifying Agent is liable for said claims.

7. (original) The method of claim 4 further comprising:

assigning to said Indemnifying Agent all rights of the Insurance Company for any salvage or subrogation to which the Insurance Company is entitled.

8. (original) The method of claim 4 further comprising:

assigning to the Indemnifying Agent a security interest in at least some of the Insurance Company's rights in secured or special deposits or similar fund held by any state, trusts, letters of credit, and other security due to or held in the Insurance Company's favor.

9. (original) The method of claim 4 further comprising:

appointing a Deputy Liquidator to administer the Insurance Company.

10. (previously presented) A software method for reinsuring an insolvent Insurance company's liabilities using a computer, said method comprising:

a) generating with a computer one or more statistical models representative of known cost values based on significant characteristics of historical insurance claims representative of immature insurance claims against the Insurance Company;

b) storing said statistical models in electronic readable format in a first electronic memory storage area in the computer;

c) determining significant characteristics of said insurance claims for unstated amounts and applying said models to said insurance claims for unstated amounts to estimate with the computer the actual losses anticipated for those claims;

d) determining the expected amount of reinsurers' obligations on the insurance claims for unstated amounts and calculating the present value of the reinsurers' obligations by applying a reinsurer risk factor;

e) calculating with the computer a guaranteed payment rate against said claims as a function of the Insurance Company assets, the present value of the reinsurers' obligations and the present value of underlying claims against the insurance company;

f) storing the guaranteed payment rate in electronic readable format in a second electronic memory storage area in the computer; and

g) indemnifying the insolvent Insurance Company against the claims at the guaranteed payment rate when said claims mature in exchange for the rights to the Insurance Company's assets and reinsurers' obligations.

11. (original) The method of claim 10 further comprising setting aside assets for administrative costs before calculating the guaranteed payment rate.

12. (currently amended) The method of claim ~~1~~ 2 wherein said reinsurer risk factor includes ~~a credit risk factor related to the creditworthiness of the reinsurers and~~ a payment lag factor related to the timeliness of payments of said reinsurers' obligations.

13. (previously presented) The method of claim 12 wherein calculating the fixed dividend further is based on a factor for a return on investment.

14. (previously presented) The method of claim 2 wherein said reinsurer risk factor includes a credit risk factor related to an estimated creditworthiness of the reinsurers and a payment lag factor related to the timeliness of payments of the reinsurers' obligations.

15. (currently amended) The method of claim 14 further comprising determining multiple scenarios for the ultimate amounts of liabilities, ~~determining the reinsurers' obligations for each scenario, associating a probability of~~

~~occurrence with each scenario,~~ and determining a ~~probability weighted expected~~ net present value of the expected recovery from reinsurers' obligations corresponding to the statistical average of the multiple scenarios.

16. (previously presented) The method of claim 4 wherein said reinsurer risk factor includes a credit risk factor related to an estimated creditworthiness of the reinsurers and a payment lag factor related to the timeliness of payments of the reinsurers' obligations.

17. (currently amended) The method of claim 16 wherein evaluating said reinsurer obligations further comprises determining multiple scenarios for the ultimate amounts of liabilities, ~~determining the reinsurers' obligations for each scenario, associating a probability of occurrence with each scenario,~~ and determining a ~~probability weighted expected~~ net present value of the expected recovery from reinsurers' obligations corresponding to the statistical average of the multiple scenarios for use in determining said shortfall.

18. (previously presented) The method of claim 16 wherein determining with the computer a guaranteed payment rate further comprises applying a factor for a return on investment required by the Indemnifying Agent.

19. (previously presented) The method of claim 10 wherein said reinsurer risk factor includes a credit risk factor related to an estimated creditworthiness of the reinsurers and a payment lag factor related to the timeliness of payments of the reinsurers' obligations.

20. (currently amended) The method of claim ~~18~~ 19 wherein determining the expected amount of the reinsurers' obligations on the insurance claims for unstated amounts and calculating the present value of the reinsurers' obligations further comprises determining multiple scenarios for the ultimate amounts of insurance claims, ~~determining the reinsurers' obligations for each scenario, associating a probability of occurrence with each scenario,~~ and determining a

~~probability weighted expected~~ net present value of the expected recovery from reinsurers' obligations corresponding to the statistical average of the multiple scenarios.